

FISCAL NOTE

HB 3135 - SB 3279

February 14, 1998

SUMMARY OF BILL: Requires contracts of coverage entered into by HMOs to contain a provision for continuity of care, limited to 60 days in most cases, for persons who are new enrollees and who are under active care of a health care provider or in cases where a provider is deselected. Requires that every HMO provide for an independent review process for individual enrollees who have been denied certain coverage and have exhausted their appeals under current law. The TennCare program is exempted from the provisions of this bill.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Increase Local Govt. Expenditures - Not Significant

Cost estimate is based on information from the Department of Finance and Administration and from the administrator of a major local government health care plan. Any increased cost of health care benefits to state and local government health care plans is not estimated to be significant. Any increased cost to HMO's as a result of the provisions of the bill is not estimated to be significant enough to increase premium costs to state and local government health care plans. TennCare is exempted from the provisions of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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